

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PM-04 H-01 L-03 NSC-05 PA-01
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E.O. 11652: N/A
TAGS: ELAB, PINT, PE
SUBJECT: GOP DECREES ACROSS-THE-BOARD WAGE INCREASE

1. ON JANUARY 25 THE GOP DECREED AN ACROSS-THE-BOARD WAGE INCREASE FOR ALL PUBLIC SECTOR AND PRIVATE EMPLOYEES AMOUNTING TO S/.810 (ABOUT U.S. \$11.60) PER MONTH, OR S/.27 (ABOUT U.S. \$.38) PER DAY. THE INCREASE, ABOUT THE AMOUNT EXPECTED BY BUSINESS AND LABOR LEADERS, IS TO "COMPENSATE WORKERS FOR DIMINISHED BUYING POWER DUE TO PRICE READJUSTMENTS ON BASIC GOODS AND SERVICES". THE INCREASE ACCORDED NOW TO ALL WORKERS IS TO BE DEDUCTED FROM ANY WAGE INCREASES GAINED THROUGH COLLECTIVE BARGAINING ON CONTRACTS EXPIRING IN 1977. THOSE GAINS IN ANY CASE ARE EXPECTED TO BE SUBJECT TO DECREE-REGULATED WAGE INCREASE CEILINGS. ALSO, 1976 CONTRACTS ARE NORMALLY FOR A 12-MONTH PERIOD) HAVE BEEN EXTENDED BY AN EMERGENCY DECREE FOR SIX MONTHS. THEREFORE MAJOR CONTRACTS (IN THE STATE AND PRIVATE MINING SECTOR FOR EXAMPLE) NORMALLY UP FOR NEGOTIATION IN THE JULY THROUGH SEPTEMBER PERIOD WILL BE POSTPONED UNTIL 1978 LEAVING A 1977 WAGE INCREASE OF S/.27 PER DAY (COMPARED TO S/.98 INCREASE IN 1976) BARRING FUTURE DECREE LAW MODIFICATION.

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2. WHILE THE WAGE INCREASE WAS ABOUT THE AMOUNT ANTICIPATED, LABOR UNIONS ARE CERTAIN TO BE DISPLEASED. THE S/.810 INCREASE DOES NOT COMPENSATE FOR SALARY EROSION DUE TO INFLATION AND GOP POLICY. THE BETTER-PAID ORGANIZED WORKERS SHOULD BE ESPECIALLY UNHAPPY. ALSO NEW PRICE INCREASES AND POSSIBLE FURTHER SUBSIDY

REDUCTIONS ON BASIC COMMODITIES ARE EXPECTED.
COLLECTIVE BARGAINING REMAINS CURTAILED AND STRIKES OUT-
LAWED AS THE STATE OF EMERGENCY CONTINUES INTO THE IN-
DEFINITE FUTURE (A JANUARY 25 SUPREME DECREE ROUTINELY
EXTENDED THE SUSPENSION OF CONSTITUTIONAL GUARANTEES
FOR ANOTHER 30-DAY PERIOD).

3. LEFTIST UNIONS ARE MOVING MORE DIRECTLY INTO OPPOSITION
TO THE GOP AS IT BECOMES INCREASINGLY CLEAR THAT ORIGINAL
REVOLUTIONARY GOALS HAVE BEEN ABANDONED OR SEVERELY MODIFIED.
FAR LEFTISTS WILL CONTINUE THEIR EFFORTS TO ORGANIZE A GENERAL
STRIKE IN SPITE OF THE DIFFICULTIES STEMMING FROM EMERGENCY
DECREES AFFECTING LABOR. APRA UNIONS HOPE TO CAPITALIZE
ON THE "BREAKDOWN" IN GOVERNMENT RELATIONS WITH COMMUNIST
UNIONS, BUT APRA UNIONS TOO MUST DEFEND RANK AND FILE
IF THEY ARE TO RECAPTURE LOST MEMBERSHIP. WORKERS ARE
CERTAIN TO RESENT THE JANUARY 25 RESTRUCTURING OF
GOVERNMENT SALARIES PROVIDING FOR A MAXIMUM OF S/. 103,500
PER MONTH (UP FROM THE S/.70,000 PER MONTH LIMIT TO WHICH
PRIVATE EMPLOYEES STILL RESTRICTED) AND THE MAJOR INCREASE
IN SALARIES FOR THE GOP MINISTERS. FINALLY, LABOR IS IN
NO MOOD TO SACRIFICE IN THE FACE OF THE GROWING FEELING
THAT CORRUPTION AND ENRICHMENT IS WIDESPREAD IN TOP
MILGOV LEADERSHIP. DEAN

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Copy: SINGLE
Sent Date: 26-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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